



NORTH CAROLINA GENERAL ASSEMBLY

Session 2017

Fiscal Analysis Memorandum

CONFIDENTIAL

Requestor:
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Date: June 14, 2018
RE: PCS H321-CSBRf-5 [v.2]

SUMMARY TABLE

FISCAL IMPACT OF PCSH321-CSBRf-5, V.2

| | <u>FY 2018-19</u> | <u>FY 2019-20</u> | <u>FY 2020-21</u> | <u>FY 2021-22</u> | <u>FY 2022-23</u> |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| State Impact | | | | | |
| Special Fund Revenues | \$175,470 | \$175,470 | \$175,470 | \$175,470 | \$175,470 |
| Less Expenditures | \$0 | \$0 | \$0 | \$0 | \$0 |
| Special Fund Impact | \$175,470 | \$175,470 | \$175,470 | \$175,470 | \$175,470 |
| NET STATE IMPACT | \$175,470 | \$175,470 | \$175,470 | \$175,470 | \$175,470 |

FISCAL IMPACT SUMMARY

This PCS will have a fiscal impact. It is estimated that revenue to the Wildlife Resources Commission (WRC) will increase by \$175,470 each year (\$108,558 from an application fee increase; \$64,412 from a new surcharge; and, \$2,500 from new special licenses for alligator hunting).

FISCAL ANALYSIS

Section 1 of the PCS amends G.S. 113-264(d) to increase the fee hunters pay to apply for a drawing to be allowed to join a WRC managed hunt. (This PCS makes no changes to the fees charged for general hunting licenses.) WRC can schedule special hunts on managed land for any species of wildlife administered through permits. Hunters wishing to participate make an application through WRC or a WRC authorized agent; participants are then randomly selected by computer. The PCS increases the fee to apply from \$5 to \$8.

Section 1 of the PCS also amends G.S. 113-264 by adding a new subsection (d1) which authorizes WRC to collect a \$2 surcharge on each application handled directly by WRC. Applications filed through a WRC authorized agent would not have to pay the \$2 surcharge.



The following chart shows the number of managed hunts, total applications, and source of applications (WRC or through a WRC authorized agent) for each fiscal year since FY 2013-14.

| Wildlife Resource Commission Managed Hunt Data FY 2013-14 through FY 2017-18 | | | | | | |
|---|-------------|---------|---------|---------|---------|---------------|
| | Fiscal Year | | | | | Average |
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | |
| Managed Hunts | 193 | 196 | 205 | 213 | 220 | 205 |
| Total Applications | 35,576 | 36,870 | 39,980 | 37,651 | 36,186 | 37,253 |
| Applications through WRC | | | 33,523 | 33,133 | 32,206 | 32,954 |
| Applications through Agent | | | 5,457 | 4,518 | 3,980 | 4,652 |
| Increase in # of Hunts | | 1.55% | 4.59% | 3.90% | 3.29% | 3.33% |
| Increase in # of Applicants | | 3.64% | 8.44% | -5.83% | -3.89% | 0.59% |

The number of managed hunts has increased by an average of 3.33% each year. However, the corresponding number of applicants has only increased by an average of 0.59% over the five-year period, and has been declining over the past two years. Therefore, for the purposes of this estimate, Fiscal Research is assuming no change in the number of applicants for managed hunts for the next five years. If that assumption is correct, the fiscal impact of the \$3 increase in the application fee would be \$108,558 (\$3 increase times 36,186 applicants). To the extent that the number of applicants continue to decline over the next five years, this estimate may be overstated.

WRC only had data for the previous three years regarding the number of applications purchased directly from WRC versus those purchased through agents. The data they do have shows a decline in the number of people applying for managed hunts through agents. However, it is reasonable to assume that more people may choose to apply through agents to avoid paying the surcharge. Therefore, for the purposes of this estimate, Fiscal Research is assuming no change in the number of people who apply for the managed hunt lottery directly through WRC. If that assumption is correct, the fiscal impact of the \$2 surcharge for applications submitted directly through WRC would be \$64,412 (\$2 surcharge times 32,206 direct applications). To the extent that the number of direct applications is higher, this estimate may be understated.

Section 2 of the PCS amends G.S. 113-270.3(b)(1a) and (1b) to add a June 30 expiration date to nonresident bear hunting licenses and bear management stamps. Currently, the nonresident bear hunting license and the bear management stamp are good for one year from the date of purchase. This section is not anticipated to have any fiscal impact.

Section 2 of the PCS amends G.S. 113-270.3(b) by creating four new special licenses. These licenses are obtained in addition to regular hunting licenses. (This PCS makes no changes to the fees charged for general hunting licenses.)



New subsection (6) creates a Resident American Alligator License. The cost for this license is \$250. WRC anticipates that no more than 10 licenses will be issued per year, for total revenue of \$2,500 (10 licenses times \$250).

New subsection (7) creates a Nonresident American Alligator License. The cost for this license is \$500. It is not known how many nonresidents may purchase this license. Each license sold will generate an additional \$500 in revenue for WRC.

New subsection (8) creates a Resident Elk License. The cost for this license is \$500. WRC states that based on the low population of elk in the State currently, they are unlikely to issue any elk licenses in the next five years. Therefore, this section is not anticipated to have any fiscal impact.

New subsection (9) creates a Nonresident Elk License. The cost for this license is \$1,000. WRC states that based on the low population of elk in the State currently, they are unlikely to issue any elk licenses in the next five years. Therefore, this section is not anticipated to have any fiscal impact.

TECHNICAL CONSIDERATIONS

N/A.

DATA SOURCES

Wildlife Resources Commission

FISCAL ANALYSIS MEMORANDUM – PURPOSE AND LIMITATIONS

This document is a fiscal analysis of a bill, draft bill, amendment, committee substitute, or conference committee report that is confidential under Chapter 120 of the General Statutes. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts. This document is not an official fiscal note. If a formal fiscal note is requested, please email your request to the Fiscal Research Division at FiscalNoteRequests@ncleg.net or call (919) 733-4910.

